

Message Text

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ACTION FBO-05

INFO OCT-01 ARA-06 ISO-00 A-01 L-03 SSO-00 /016 W

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FM AMEMBASSY BUENOS AIRES

TO SECSTATE WASHDC IMMEDIATE 3050

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FOR HAROLD BURMAN, L/FBO, ARA/APU

E. O. 11652: N/A

TAGS: ABLD, AR

SUBJECT: EOBBA PROJECT #01502, CONTRACT NO. 3102-212008

1. FOLLOWING IS TEXT OF MEMORANDUM FROM ATTORNEY
J. L. SALAS TO HAROLD BURMAN, REPORTING RESULTS OF
MEETINGS WITH SUBCONTRACTORS:

QUOTE. THE PURPOSE OF THIS TELEX IS TO INFORM YOU
OF MEETINGS HELD WITH SUBCONTRACTORS BY ICHIRO MORI AND
MYSELF AND THE RESULTS THEREOF. IN GENERAL AND REGARD-
LESS OF WHAT I SAY LATER ON, I CONSIDER THE MEETINGS
WERE POSITIVE AND IN PRINCIPLE OUR SUGGESTIONS AND REQUESTS
WERE WELL RECEIVED. I SHALL TRY TO SUMMARIZE BELOW
THE RESULTS OF MEETINGS WITH EACH SUBCONTRACTOR.

2. BUSCEMI (PLUMBING): OUR CONTACT WAS MR. CHUECO; WE
INFORMED HIM THAT THE CONTRACT WITH SITRA HAD BEEN TER-
MINATED OWING TO NONFULFILLMENT BY SITRA, BUT THAT THIS
DID NOT MEAN THAT RELATIONS HAD BEEN DEFINITELY
SEVERED, SINCE MEETINGS WERE GOING TO BE HELD THIS WEEK
IN WASHINGTON BETWEEN THE F.B.O. AND SITRA WITH A VIEW
TO ESTABLISHING SITRA'S FUTURE PARTICIPATION IN THE
CONTINUATION OF THE WORKS, IN THE EVENT OF SUCH
PARTICIPATION:.

WE ALSO EXPLAINED THAT WE WISHED TO KNOW:

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A) IF BUSCEMI WAS WILLING TO CONTINUE ITS PARTICIPATION IN THE WORKS, WHETHER OR NOT SITRA CONTINUED, OR IF IT SO MERELY AS ANOTHER CONTRACTOR AND NOT AS THE MAIN CONTRACTOR. MR. CHUECO DECLARED THAT IN PRINCIPLE THEY WOULD, (HE ADDED THAT THE FINAL DECISION WOULD BE TAKEN BY MR. BUSCEMI); HE INFORMED US THEY HAD HAD SOME PROBLEMS WITH SITRA CONCERNING PAYMENT OF WORKS CERTIFICATES AND COORDINATION OF WORK.

B) WHETHER BUSCEMI COULD PREPARE A SUMMARY OF THE WORKS CARRIED OUT, A CHRONOGRAM OF WORK TO BE PERFORMED, AN ESTIMATE OF THE TIME REQUIRED TO COMPLETE ITS WORK (IT WAS EXPLAINED TO HIM, AS TO THE OTHER CONTRACTORS, THAT IT WAS ESSENTIAL THAT THE BUILDING BE READY WITH SUFFICIENT ANTICIPATION FOR INAUGURATION ON JULY 4, 1976), THE APPROXIMATE COST OF PENDING WORK AND A MODEL CONTRACT (WITH A CLAUSE FOR HIGHER COSTS-THEY WOULD ACCEPT THE INDEC OR BANCO HIPOTECARIO INDEX), UNDER WHICH THEY WOULD ACCEPT A DIRECT RELATIONSHIP WITH THE U.S. GOVERNMENT. MR. CHUECO SAID HE COULD HAVE ALL THIS PREPARED DURING THE COURSE OF THIS WEEK.

E. AIRMO (HVAC): OUR CONTACT WAS MR. VAZQUEZ; WE GAVE HIM THE SAME INFORMATION AS TO BUSCEMI. TO OUR QUESTION

A) (SEE BUSCEMI), HE CATEGORICALLY REPLIED THAT IF SITRA CONTINUED AS MAIN CONTRACTOR AIRMO WOULD NOT CONTINUE THE WORKS, BECAUSE THEY HAD NOTIFIED SITRA ABOUT FIFTEEN DAYS AGO THAT THEY RESCINDED THE CONTRACT DUE TO NON-FULFILLMENT BY SITRA SINCE THEY WERE OWED INVOICES AS FROM DECEMBER 1974. MOREOVER, HE COMPLAINED AT THE LACK OF ATTENTION GIVEN TO AIRMO'S REQUESTS FOR SITRA TO MEDIATE BEFORE GRATA DUE TO DELAYED AND MISTAKEN DELIVERIES OF COMPONENTS OR EQUIPMENT. HE WAS THEREFORE INTERESTED IN CONTINUING THE WORKS, BUT UNDER THE DIRECT ADMINISTRATION OR COORDINATION OF THE U.S. GOVERNMENT OR ANOTHER CONTRACTOR. HE ALSO DECLARED THEY WOULD BE VERY PLEASED IF SUCH ADMINISTRATION, COORDINATION OR SUPERVISION WAS CARRIED OUT BY MR. JORGE T. LANG.

3A. AS IN THE BUSCEMI CASE, MR. VAZQUEZ PROMISED TO SEND US, LIMITED OFFICIAL USE

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DURING THE COURSE OF THIS WEEK, A SUMMARY OF WORKS CARRIED OUT, A CHRONOGRAM OF WORKS, AN ESTIMATE OF THE TIME REQUIRED TO COMPLETE THE WORK IN THEIR CHARGE AND A MODEL CONTRACT WHEREBY THEY WOULD ACCEPT A DIRECT RELATIONSHIP WITH THE U.S. GOVERNMENT.

4. ADEE (ELECTRICAL): OUR CONTACTS WERE MESSRS. ALBERTO H. ZERBO AND M. PEREZ LAMAS. THEY WERE SUPRISED AT THE

INFORMATION WE GAVE THEM (THE SAME AS TO THE OTHER TWO SUBCONTRACTORS), SINCE ABOUT TWENTY DAYS AGO SITRA HAD ASKED THEM TO HAVE THE PERSONNEL ALLOCATED TO THE WORKS READY TO RECOMMENCE WORK AT THE TIME SITRA SO REQUESTED, FOR THIS PURPOSE THE SAID PERSONNEL HAD BEEN VISITING THE SITRA OFFICES DAILY, WHERE NOTE WAS TAKEN OF THEIR PRESENCE; ADEE SUBSEQUENTLY PRESENTED SITRA WITH WEEKLY INVOICES FOR THE SAID PERSONNEL'S WAGES (THESE INVOICES HAVE NOT BEEN PAID TO DATE).

5. WITH REGARD TO QUESTION A) (SEE BUSCEMI), THEY DECLARED THEY HAD NO OBJECTION TO ENTER INTO A CONTRACTUAL RELATIONSHIP WITH THE U.S. GOVERNMENT, ADDING THAT THEY MIGHT ALSO TAKE CHARGE OF ADMINISTRATIVE FORMALITIES TO OBTAIN THE INSTALLATION OF THE SEGBA AND ITALO TRANSFORMERS.

6. WITH REGARD TO QUESTION B), THEY ALSO AGREED TO SUPPLY SUCH DATA DURING THIS WEEK, FOR WHICH PURPOSE THEY WILL VISIT THE WORKS ON 10-8-75 IN ORDER TO ASCERTAIN THE EQUIPMENT AND MATERIALS ALREADY RECEIVED AND THOSE THAT MUST BE SENT FROM THE U.S.

7. MGM. TALLERES METALURGICOS MILOZ, GUTIERREZ & MILLEFANTO: (FENCES/FAN COIL UNITS). WE MET WITH MR. CARLOS M. MILOZ WHOM WE INFORMED AS IN THE PREVIOUS CASES. WITH REGARD TO QUESTION A), (SEE BUSCEMI ABOVE), HE DECLARED HE HAD NO OBJECTION TO CONTINUE THE WORKS, ALWAYS PROVIDED HIS RELATIONSHIP WITH SITRA COULD BE PREVIOUSLY RESOLVED, SINCE HE DID NOT WISH TO HAVE PROBLEMS WITH THE LATTER BECAUSE THEY ENJOYED A LONGSTANDING RELATIONSHIP AND HAVE ENTERED INTO OTHER CONTRACTS WITH SITRA; HOWEVER THEY ARE ALSO INTERESTED IN CONTINUING LIMITED OFFICIAL USE

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THE WORKS BECAUSE M.G.M. HAS NEVER, FOR ANY REASON WHATSOEVER, FAILED TO COMPLY WITH A CONTRACT.

8. IN VIEW OF THE ABOVE, HE ALSO UNDERTOOK TO FURNISH US WITH THE DATA REQUESTED IN B), (SEE BUSCEMI ABOVE) DURING THE COURSE OF THIS WEEK.

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ACTION FBO-05

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9. ALL THE SUBCONTRACTORS MENTIONED ABOVE PARTICULARLY STRESSED THAT IN ORDER TO BE EVENTUALLY ABLE TO COMPLETE THEIR PART OF THE PENDING WORKS WITHIN THE SHORT TIME AVAILABLE, IT WILL BE NECESSARY NOT ONLY FOR THE WORK TO BE RECOMMENCED AS SOON AS POSSIBLE BUT ALSO THAT COORDINATION OF THE DIFFERENT TASKS TO BE CARRIED OUT BE REALLY EFFECTIVE.

10. MOREOVER, THEY ALL DECLARED THEY HAD HAD NO PROBLEMS WITH THE SUPPLY OF MATERIALS AND ASSURED NONE WOULD EXIST IN THE FUTURE. THE ONLY ONE WHO HAD EXPERIENCED DIFFICULTIES WAS BUSCEMI BUT NOT TO A DECISIVE DEGREE.

11. FLAMIA (WINDOWS): WE CONTACTED MR. LANUSA AND WHEN WE INQUIRED AS TO THE STATE OF ASSEMBLY OF THE WINDOWS, HE SAID THIS WOULD BE STARTED NEXT WEEK AND THEY COULD COMMENCE DELIVERIES IN APPROXIMATELY 40 DAYS; HE EXPRESSLY PUT ON RECORD THAT SITRA HAD GIVEN INSTRUCTIONS THAT NO DELIVERY SHOULD BE MADE TO THE WORKS WITHOUT ITS PRIOR APPROVAL. HE WAS THEN INFORMED, AS WERE THE OTHER CONTRACTORS, QUESTION A) (SEE BUSCEMI ABOVE) BEING PUT TO HIM; HE REPLIED THAT FLAMIA WOULD ONLY DELIVER THE WINDOWS AND INSTALL THEM AT THE WORKS IF SITRA ASSIGNS THE CONTRACT TO THE U.S. GOVERNMENT; OTHERWISE THEY WOULD DELIVER THEM TO SITRA SINCE THE MANUFACTURE AND INSTALLATION HAD BEEN CONTRACTED WITH THE LATTER. HE WAS THEN INFORMED THAT THE IRON FITTINGS FOR THE WINDOWS HAD BEEN SUPPLIED BY THE U.S. GOVERNMENT TO WHICH HE REPLIED THAT IN SUCH CASE THEY WOULD BE RETURNED TO

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THE U.S. GOVERNMENT.

12. AS A PERSONAL COMMENT UPON THIS SUBCONTRACTOR, I

SHOULD MENTION THAT IN SPITE OF BEING VERY FRIENDLY, AT ALL TIMES HE TOOK SITRA'S PART AND I THEREFORE THINK THIS MATTER SHOULD BE VERY CAREFULLY HANDLED DURING NEGOTIATIONS WITH SITRA.

13. OTIS (ELEVATORS): WE ONLY MANAGED TO ARRANGE AN INTERVIEW FOR 10-9-75 (IMPOSSIBLE BEFORE); I SHALL SEND YOU AN ADDITIONAL REPORT AT THAT TIME. UNQUOTE.

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